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FOREIGN NEWS ON APPLES

Comments on the 1935-36 Apple Season

Shipments of apples from the United States and Canada continue to arrive in the United Kingdom on a much heavier scale than last year, according to a statement from Fred A. Motz, Agricultural Commissioner in London. Larger imports were made possible by the very short crop of home-grown fruit and the lighter imports of apples during the summer months from Australia and New Zealand. The market for North American apples opened much earlier than would have been the case in a normal season.

Exports from the United States to the United Kingdom from July to December, 1935, totaled 4,226,000 bushels compared with 1,848,000 in 1934 and 1,817,000 in 1933. Exports to the United Kingdom from Canada, from July 1 through January 30, totaled 5,696,000 bushels compared with 4,441,000 bushels last season. Exports of apples from the United States to the United Kingdom have comprised 644,000 barrels, 551,000 baskets and 1,742,000 boxes this season. In all cases these figures show sharp gains over the preceding year. More detailed information on the exports of apples from the United States are given in the table on page 4.

Owing to a sharp freeze in May of 1935, heavy damage was done to European fruit crops, particularly those of the United Kingdom. As soon as importers and fruit brokers were aware that a short crop was definitely in prospect they began to look towards North America for their requirements. In addition to the short crop, there was an improved economic outlook. Purchasing power in the United Kingdom and in certain Scandinavian countries appeared to be improving. All together, it looked like a good year for exports and imports. It was the general opinion that market prospects were favorable. Crop prospects in Canada and the United States were good. Producers and shippers, contrary to their ideas of the previous season, were willing to sell their crops. Prices were established at levels which were attractive to buyers. While domestic sales dragged in the United States and Canada earlier in the season, there was considerable activity in the export field. Buyers for European firms purchased large quantities of apples which under more normal condition would never have entered export channels. Buying was stimulated by high prices which prevailed for apples in the United Kingdom early in the season. Yellow Transparents as an example, fetched 24 to 25 shillings

(\$6.15 to \$6.41) as compared with 13 to 15 shillings (\$3.21 to \$3.70) in the previous year. During August, Virginia Duchess and Williams Red were in good demand at 9 to 10 shillings (\$2.24 to \$2.49) per basket, and New Jersey boxed apples of the same varieties met a good demand of from 10 to 13 shillings (\$2.49 to \$3.23) per box. Virginia Gravensteins made up to 40/0 in Liverpool (\$9.95) whereas in London varieties such as Wealthy, Dutchess and Lowell sold freely at 23/0 to 29/0 (\$5.72 to \$7.21) per barrel. Prices continued high during the early part of September. Speculation during late August and early September became very active. All sections of the United States and Canada were scouted for supplies. Many lots were purchased which ordinarily would not be considered good export risks.

By the middle of September the heavy purchasing of apples in North America for overseas shipment began being felt. The volume of exports became so heavy that both carriers and forwarding agents had extreme difficulty in coping with the situation. During the third week in September, shippers were unable to find space for over 80 cars of apples intended for export. Shipping space was at a premium and bills of lading in certain instances were made out as many as four times. When the heavy shipments landed in Europe, especially the United Kingdom, markets soon became demoralized and prices dropped to ruinous levels.

One significant feature of the apples deal this year has been the tremendous increase in basket exports. Exports of baskets from the United States to all destinations from July to December, 1935, totaled 760,485 baskets compared with only 73,421 during the same months of 1934 and 197,356 baskets in the same period of 1933. The heaviest arrivals of baskets in the United Kingdom took place during September and October and were responsible in a large measure for the disastrous break in the market which occurred during that period. Unfortunately, in the scramble for space aboard ship, baskets were stacked altogether too high and the pressure on the baskets lower in the tiers injured a considerable portion of the fruit. Large quantities of baskets landed in an unsatisfactory condition. Much of the favorable reputation built up for baskets as containers during recent years has been lost; in northern England in particular, the basket is regarded as being unsuitable for export purposes. Not only were the baskets at the bottom of the tiers badly crushed and twisted and the contents bruised and damaged, but overloading also prevented proper ventilation and considerable damage resulted from heat. As a result of the low prices prevailing in September and October, shipments became very much lighter. This resulted in a rapid improvement in the barreled apple position and prices began to rise almost immediately. So far this season barreled apples have enjoyed a much better position than boxes. Operators have been unable to understand why the demand for boxed apples should be so slow and prices unsatisfactory since inquiry for barrels has, for the most part, been quite brisk.

The Nova Scotian deal so far has been very satisfactory to exporters. The quality of the fruit has been unusually good and the color, finish and general appearance of the pack, as compared with former years, is almost unbelievable. The improvement is probably explained partly by the strict export regulations and partly by the unusually favorable growing season. Probably the improvement in the Nova Scotian pack can be brought out more clearly by indicating a change in selling practice which has occurred this season. Ordinarily fruit brokers in the United Kingdom in the past have catalogued Nova Scotian apples for sale first and American apples last. This year, however, the practice has been reversed. Nova Scotian apples have been offered at the end of the sale in order to hold the buyers and to enable the brokers to clear the less desirable offerings first. In the past years it has always been the so-called Virginians which have been used as the attraction to hold buyers at the sale. Another interesting feature which shows the increased confidence in Nova Scotian apples this season is demonstrated by the almost complete discontinuance of the practice of displaying the contents of sample barrels to buyers; it has been a customary procedure at some of the auctions in past years to have sample barrels of Nova Scotians emptied out into a large basket so that buyers could obtain a better view of the contents. This season buyers have seldom demanded to have Nova Scotians "shot out" whereas requests have been more numerous than usual for the contents of barreled apples from the United States to be so displayed. On the whole, however, the condition of American apples offered on the British market this season has been generally satisfactory.

There has been considerable dissatisfaction with the sizes of American apples offered this season. In many cases, the size range has been too wide for market requirements. For best results, it would be more satisfactory, from a trading standpoint, if the maximum as well as the minimum sizes were stated on the barrels. Buyers contend that a statement such as $2\frac{1}{4}$ " min. or $2\frac{1}{2}$ " min. is very misleading. When sizes run large, such as was the case this season, it would be more satisfactory, certainly from a buyers' point of view, if, say $2\frac{1}{2}$ " rather than $2\frac{1}{4}$ " were the minimum size stated.

APPLES: United States exports July to December 1935
compared with the last two years

Country and Unit	1933	1934	1935
<u>Barrels</u>	<u>Barrels</u>	<u>Barrels</u>	<u>Barrels</u>
United Kingdom	247,115	250,607	644,353
Other Europe	392,467	140,100	284,507
Total Europe	639,582	390,707	928,860
Other countries	53,774	25,116	53,138
Total	696,356	415,823	981,998
<u>Baskets</u>	<u>Baskets</u>	<u>Baskets</u>	<u>Baskets</u>
United Kingdom	18,364	14,186	550,741
Other Europe	150,731	51,805	176,162
Total Europe	169,095	65,991	726,903
Other countries	28,261	7,430	33,582
Total	197,356	73,421	760,485
<u>Boxes</u>	<u>Boxes</u>	<u>Boxes</u>	<u>Boxes</u>
United Kingdom	1,056,834	1,081,764	1,742,010
Other Europe	2,191,881	836,106	1,253,447
Total Europe	3,248,715	1,917,870	2,995,457
Other countries	544,285	649,149	830,434
Total	3,793,000	2,567,019	3,825,891
<u>Total in bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>
United Kingdom	1,816,543	1,847,771	4,225,810
Other Europe	3,520,013	1,308,211	2,283,130
Total Europe	5,336,556	3,155,982	6,508,940
Other countries	742,368	731,927	1,023,430
Total	6,079,424	3,887,909	7,532,370

Compiled by the Foreign Agricultural Service from official sources.

